

Message Text

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PAGE 01 STATE 123433
ORIGIN COME-00

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R 152126Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY KUWAIT

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E.O. 11652:N/A

TAGS: BEXP, KU

SUBJECT: FMC'S REFUSAL TO BID ON 20 MILLION DOLS BULK
FERTILIZER HANDLING SYSTEM

REF: (A) KUWAIT 2781; (B) KUWAIT 2589; (C) KUWAIT 1958;
(D)KUWAIT 1683

1. FMC HAS INFORMED CAGNE THAT BOTH AS MATTER OF CORPORATE
POLICY AND FROM DESIRE CONFORM ACTIVITIES TO U.S. ANTI-

BOYCOTT REGULATIONS, FMC HAS ESTABLISHED STRICT COMPANY
PROCEDURES AGAINST COMPLIANCE WITH BOYCOTT REQUIREMENTS.
FIRM PREPARED BID ON TENDERS CONTAINING BOYCOTT CONDITIONS
ONLY IF IT PERMITTED TO EXPLICITLY DISCLAIM AGREEMENT TO
SUCH CONDITIONS.

2. WHEN MEETING WITH SECRETARY OF CENTRAL TENDERS COMMIT-
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TEE IN KUWAIT, FMC REP PROPOSED THAT IN BIDDING ON SUBJECT
PROJECT, IT BE PERMITTED TO CROSS OUT BOYCOTT CLAUSE AND
MAKE FOLLOWING STATEMENT IN COVERING LETTER: "WE DRAW YOUR
ATTENTION TO THE DELETION OF CERTAIN CLAUSES WITH WHICH,
IN ACCORDANCE WITH LAWS OF OUR COUNTRY, WE CANNOT COMPLY."
SECRETARY OF CENTRAL TENDERS COMMITTEE INDICATED THIS
NOT ACCEPTABLE AND SAID THAT INSTEAD GOK WOULD OVERLOOK THE

BOYCOTT CONDITIONS AND FMC SHOULD SIMPLY NOT INITIAL
RELEVANT PAGES. THIS MAY BE WHAT IS MEANT BY STATEMENT
PARA 3 REF (B) THAT FMC DID NOT HAVE TO SIGN BOYCOTT
PROVISIONS IN TENDERS. IN ANY EVENT, FMC FEELS IT UNABLE
TO BID UNDER THESE CONDITIONS.

3. FMC PROPOSAL TO BID WITH RESERVATION TO BOYCOTT
CONDITIONS SEEMS TO PARALLEL CONDITIONS WHICH MINISTRY
ELECTRICITY AND WATER (MEW) OUTLINED FOR WESTINGHOUSE ON
DOHA WEST POWER PROJECT PER REF (D), I.E., COMPANY COULD
FILE WITH BID A STATEMENT OF RESERVATION TO EFFECT THAT
AGREEMENT TO BOYCOTT CONDITIONS WOULD VIOLATE U.S. LAW.
SUCH A PROCEDURE WOULD NOT REQUIRE GOK TO MAKE CHANGE
IN TENDER REQUEST, A MATTER OF APPARENT CONCERN PER PARA
2 REF (C).

4. FMC STILL INTERESTED IN BIDDING SUBJECT PROJECT IF
ASSURED THAT PROPOSAL CONTAINING RESERVATION TO BOYCOTT
CONDITIONS IS ACCEPTABLE. PLEASE ADVISE. VANCE

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Message Attributes

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